



C-O-N-F-I-D-E-N-T-I-A-L

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26 MAY 1972

THIS IS UNEVALUATED INFORMATION

1. A Cuban-American [redacted] stationed in Punta Arenas, Chile, by his US employer. [redacted] was asked to leave the city by Chilean police for security reasons in preparation for the visit in Punta Arenas by Fidel Castro in November 1971. [redacted] took leave in Buenos Aires, Argentina, until Castro returned to Santiago.
2. The Allende Government is providing arms to politically sympathetic civilian core groups throughout the country. These arms are originating from depots of the Chilean Army. In addition, contingents of Chilean military forces have been transferred during the past few months to the Tierra del Fuego area. In March 1972, for example, two field equipped units of 30 troops each moved into the area. Each unit carried with it five artillery pieces with six inch diameter muzzles. The Punta Arenas area currently has more military personnel in evidence than at any time during the past year.
3. The black market in currency for the past four months in Punta Arenas has been running from 80 to 105 escudos to the dollar. However, the owners of foreign ships putting in at Punta Arenas for provisions and maintenance are paying exorbitant prices for goods and services due to the official rate of exchange which currently is pegged at 25 escudos to the dollar.

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